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ON PAGE A8

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Telexes Provided White House With Confirmation of Billy Deal

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International Telex messages, sent from the United States to Billy Carter's sidekick during the last days of March 1980 and apparently intercepted by U.S. electronic intelligence collectors, provided the White House with confirmation that an oil deal between the president's brother and Libya's Qaddafi regime was in the works.

The deal, which could have given Billy Carter millions of dollars in commissions, apparently came to a head March 31.

On that Monday morning, Billy Carter had Charter Crude Oil Co. send a Telex to his associate, Henry (Randy) Coleman, in Libya, confirming that Charter would buy any oil allocation granted the president's brother.

The Telex was immediately sent, according to Charter officials.

Later that same day, Central Intelligence Agency Director Stansfield Turner told the president's national security affairs adviser, Zbigniew Brzezinski, about Billy Carter's negotiations for a Libyan oil allocation.

In his statement earlier this month, Brzezinski reported getting "in March 1980 . . . A brief intelligence report" from Turner "which bore on Billy Carter's commercial dealing with an oil company . . ." But he did not disclose the exact date of the report.

That was "to protect intelligence sources and methods," Brzezinski said.

Last week, however, in response to a question, the White House confirmed the Turner information was given on March 31.

On the afternoon of March 31, Brzezinski called Billy Carter, told him he knew about the oil deal and suggested "this could be exploited politically by the Libyans."

He advised Billy Carter that the deal could be embarrassing to the country and "the president, personally" and added that he hoped he would "do nothing that would be embarrassing."

Billy Carter, according to sources, was angered by the Brzezinski message.

The president's brother was in financial straits. His income had dropped sharply after his publicized anti-Zionist remarks a year earlier. He owned money to the Internal Revenue Service.

He and Coleman had been trying for almost a year to put together the oil deal. He had told friends earlier that month that he was sure it was about to come through. Coleman had been in Libya more than two weeks waiting to get to the right people.

So certain was Billy Carter on March 31 that he was at last going to get his long-promised oil deal that he arranged that morning—in the call requesting the Telex to Coleman—to drive down to Charter Oil's headquarters in Jacksonville, Fla., and have lunch the next day, April 1, with officials of the company.

With that as background, Billy Carter—according to Brzezinski's later report—told the president's aide during their March 31 phone conversation that he "had a right to make a living."

Billy Carter also emphasized he was "entitled to his privacy," a reference to Brzezinski receiving information on the oil deal.

On the next day, April 1, according to Brzezinski, he reported to President Carter on Billy Carter's oil deal and the phone conversation he had had with the president's brother. The president told Brzezinski he had done the right thing "to caution Billy," but apparently did nothing about the situation himself.

White House aides said last week the president dictated nothing about

the information he had received about his brother that day in his daily reminiscence. April 1 was the day of the Wisconsin primary, when the president announced on early-morning television that there had been a break in the Iranian hostage crisis.

As for Billy Carter, he did lunch April 1 with Lewis Nasife, president of Charter Crude Oil Co., and Jack Donnell, president of the parent Charter Oil Co.

Charter had a real interest in getting more oil, because their 100,000 barrel-a-day contract had ended the day before and their new arrangement cut them to 62,000 barrels a day.

A Charter official said recently the conversation was about oil but that the lunch, at a "local hamburger stand," was informal and cost "about \$20."

The oil deal, however, never went through.

Coleman returned from Libya within a few days and on April 7, picked up a \$200,000 check for Billy Carter at the Libyan offices in Washington. The word "loan" was written on the check, according to congressmen who have seen copies of it in the Justice Department files.

Billy Carter has been saying for more than a month that the government has been listening in on his phone conversations—an allegation Justice Department officials strongly deny.

In an interview Friday with CBS, Billy Carter changed his complaint. The television interview took place in Americus, Ga., a CBS spokesman said, after Billy Carter had returned from Washington, where he had been questioned on his Libyan activities by Senate investigators.

"I do know that Telexes that have been sent by me and in my name were picked up," he said. "Everybody denies doing it. Nobody, nobody has yet denied it was done."

The Senate Judiciary subcommittee hearings on the Billy Carter case will begin Tuesday with his partner, Coleman, and his former Marine Corps commander, Jack E. McGregor, as the first witnesses.

McGregor, once an officer of Carey Energy Co. and now a consultant for Charter, talked with Billy Carter in March and April 1979 about his financial problems and the possibility of doing business with the Libyans. Carey Energy once purchased oil from Libya and later sold out to Charter, which took over its Libyan oil operations.